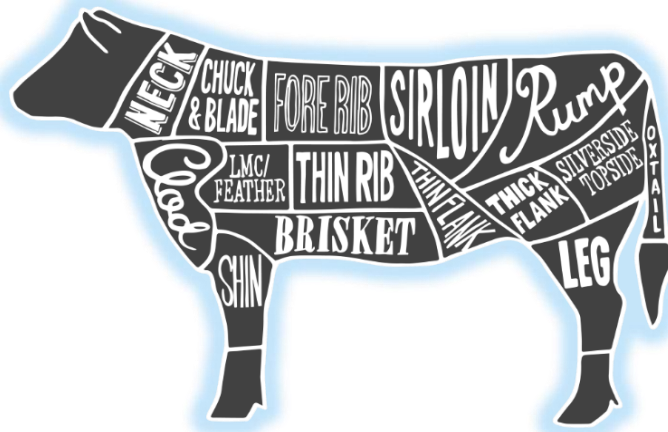




## **FY2018 Annual Report**

### **Meat and Poultry Inspection Bureau**



#### **Mission**

Montana's Meat and Poultry Inspection Bureau mission is to ensure that meat and poultry slaughtered, processed, and stored within the state meet all state and federal requirements for wholesome and unadulterated products. This is accomplished through product and site inspections, licensing, product labeling and laboratory testing.

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## **FY18 Summarization Statement from Bureau Chief**

Fiscal year 2018 was a year of changes. After a particularly difficult audit at the end of fiscal year 2017, the bureau needed enhance its approach to food safety. Paying closer attention to sanitation, increasing inspector training, strong regulation-based decision making, and a heightened focus on food safety were in order.

Through our work with auditors, early in fiscal year 2018, all staff and management were brought together for food safety training. Federal trainers arranged to travel to Montana to train supervisory staff and in-plant personnel. This training was done in two sessions, each lasting 3 days in length. This training focused on hazard analysis and critical control points (HACCP), sanitation, jerky production, industry outreach, and the inspection process. For the first time since the inception of the program in 1987, all inspectors sat in one room and received the most up-to-date training the USDA had to offer.

The industry noticed a greater focus on regulation. They reached out to the Board of Livestock in an effort to improve communication and enhance outreach activities. To that end, the bureau is now meeting with establishment management on a weekly basis to discuss new directives, notices and other regulatory changes. Further, regular communication has enhanced the regulated industry's confidence in bureau staff. Enhanced communication is an ongoing effort and will continue well into the future.

Although the Bureau followed the federal appeal process, it was not clear. This resulted in confusion within the Bureau and the industry. After several meetings with the Board of Livestock, the Bureau put a recall procedure into place. The appeal process follows the Bureau's chain of command. The chain of command ensures that program employees most familiar with the appeal facts evaluate the appeal first to minimize response time. The chain of command also allows a plant to appeal to the next highest level if unsatisfied with an appeal outcome. The Bureau's chain of command is:

1. MPI inspector
2. MPI regional supervisor
3. MPI bureau chief
4. Animal Health division administrator
5. Department executive officer
6. Board of Livestock

In fiscal year 2018 the bureau lost a key staff member due to retirement. The food safety officer position plays a key role in bureau activities. The incumbent must attend the course and pass an examination to fulfill the role of the bureau's Enforcement, Investigations, and Analysis Officer (EIAO). This course is a month long in duration. This position oversees food safety assessments, focuses on science of meat inspection, and trains inspectors in all aspects of their jobs. Recently, the bureau re-filled this position with a veterinarian from the Animal Health Division. We are confident that the new incumbent will bring a much-needed scientific approach to meat inspection in Montana.

Following the fiscal year 2017 audit, USDA Food Safety and Inspection Service (FSIS) auditors made the decision to return for a targeted follow-up audit to review programmatic changes that have been put into place. In June 2018, auditors reviewed seven establishments and the state headquarters to determine if the program has met "at least equal to" standards.

Prior to the audit, inspection staff applied their training, focused on sanitation and pointed out HACCP problems. Communications with auditors have indicated that the bureau has made a great deal of progress over the last year. The most recent audit results were strong. This means that both staff and the regulated industry have taken regulation seriously. The industry presented clean, sanitary establishments for review and staff applied regulation in an appropriate manner. The bureau recently received an “at least equal to” determination from FSIS which means that the Montana Meat and Poultry Inspection Bureau is carrying out its inspection responsibilities in a manner that is at least equal to those that are carried out by FSIS.

## **What the Future Holds**

The bureau worked hard to re-focus on food safety in fiscal year 2018 – this approach will continue. As new regulations are unfolded, the bureau is committed enhancing outreach efforts to the regulated industry. Staff have been well trained and are working hard to apply that knowledge to their daily inspection duties.

Over the next year, the bureau will be working to set appropriate goals to ensure work is completed accurately, timely, and efficiently. The bureau has “raised the bar” for performance of all staff and we are seeing positive results. For example, staff have a sharper focus on sanitation. In response, the industry has improved its approach are keeping and presenting establishments in a sanitary condition.

Tight general fund resources are a challenge for the bureau. In some cases, there are facilities that would like to become state inspected but a lack of inspectors in some locations slows this process significantly. Montana is a large state and it is difficult to predict where new facilities will be located. Further, inspectors in some areas are stretched thin primarily because of long distances between inspected establishments. Annually, inspectors drive over 400,000 miles to conduct inspection activities throughout Montana.

Over the next fiscal year, the bureau will examine all aspects of its operations to determine if inspection duties are being carried out in the most efficient and cost-effective manner. Developing relief inspection to cover increased inspection needs during peak operations such as during the summer county fair season will be a priority.

The Federal Acts (Meat Inspection, Poultry Products Inspection, and Humane Methods of Slaughter) are complex and require proper application to the regulated industry. However, the bureau will continue to carry out the responsibility to help the industry understand regulations and how they are applied to each establishment. In addition to regular meetings with establishment owners, at least 25 percent of one FTE will be devoted to outreach efforts. The bureau is confident that this approach will result in a better understanding of regulation and its proper application.

Ensuring food safety in Montana is the bureau’s number one priority. To accomplish that, the bureau has adopted a scientific approach to applying regulation. Because science plays a key role in food safety, we are sending the bureau’s food safety officer to intense EIAO training in order to improve food safety through the proper application of scientific principles. Once this training is completed, food safety assessments will be conducted based upon risk. Thus, the likelihood of unsafe meat products reaching Montana consumers will be minimized.

The outlook for the next fiscal year is bright. Industry is fully behind the program and its application of regulation. Through enhanced communication and the application of scientific principles, the regulators and the regulated will produce safe, wholesome products for all consumers.

## **Authorization**

According to section two of the Federal Meat Inspection Act, “Meat and meat food products are an important source of the nation’s total supply of food. They are consumed throughout the nation and the major portion thereof moves in interstate or foreign commerce. It is essential in the public interest that the health and welfare of consumers be protected by assuring that meat and meat food products distributed to them are wholesome, not adulterated, and properly marked, labeled and packaged...”

The Montana Meat and Poultry Inspection Bureau operates in a manner similar to the other 26 states with a cooperative state meat inspection program. Montana carries out its own inspection services in a manner that is at least equal to inspection services provided by the United States Department of Agriculture (USDA), as well as utilizing the federal Public Health Information System (PHIS) a web-based data driven system that utilizes role assignments and predictive analytics to collect, consolidate and analyze establishment data to generate and assign specific inspection tasks to improve food safety.

To accomplish this, Montana has adopted both federal law and rule. Under 81-9-219, Montana Code Annotated (MCA), Montana adopts the Federal Meat Inspection Act, the Federal Poultry Inspection Act, and the Federal Humane Methods of Slaughter Act. Each of these federal acts addresses various aspects of how the Montana program operates.

Further, Administrative Rules of Montana (ARM) 32.6.712 adopts Title 9 of the Code of Federal Regulations (CFR). These rules outline how Montana is to carry out its meat and poultry inspection program. In addition, Montana Meat and Poultry Inspection utilizes other laws and rules under Title 81 of MCA and Title 32 of ARM.

## Organization and Funding

The Meat and Poultry Bureau operates on an annual budget of approximately \$1.7 million which consists of 50% federal funding and 50% state general fund.

Montana Meat and Poultry Inspection Bureau is organized into three main units.

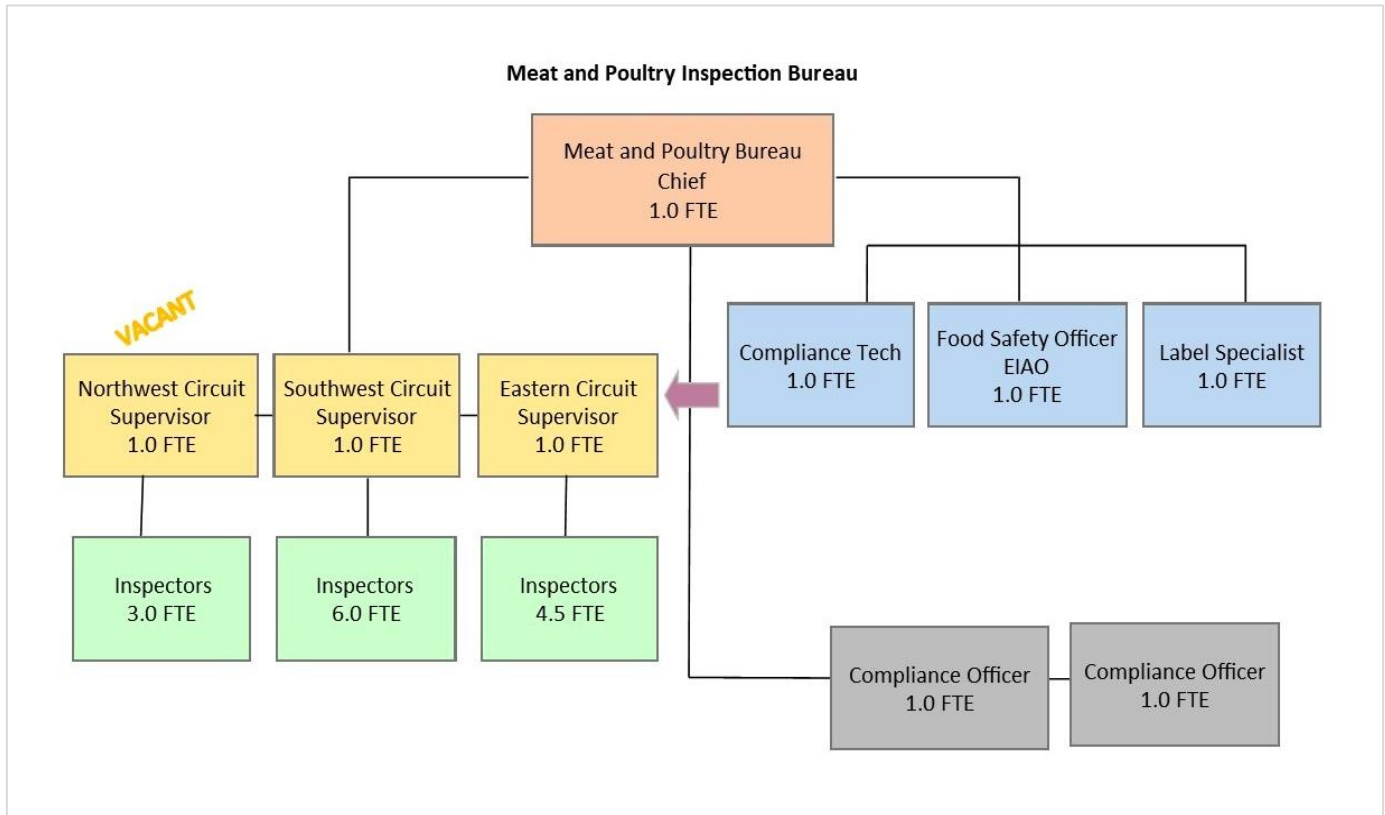


Figure 1: Meat and Poultry Inspection Bureau Organizational Chart

The administration unit provides functions such as training and outreach, program licensing, administration and compliance, database and records management, and label approval. Services include providing some of the only official meat grading services in Montana. This unit includes 2 compliance officers to ensure regulations are being followed statewide. The unit currently utilizes 22.5 FTE.

The image below represents the three supervisory circuits in Montana: Northwest, Southwest and Eastern.

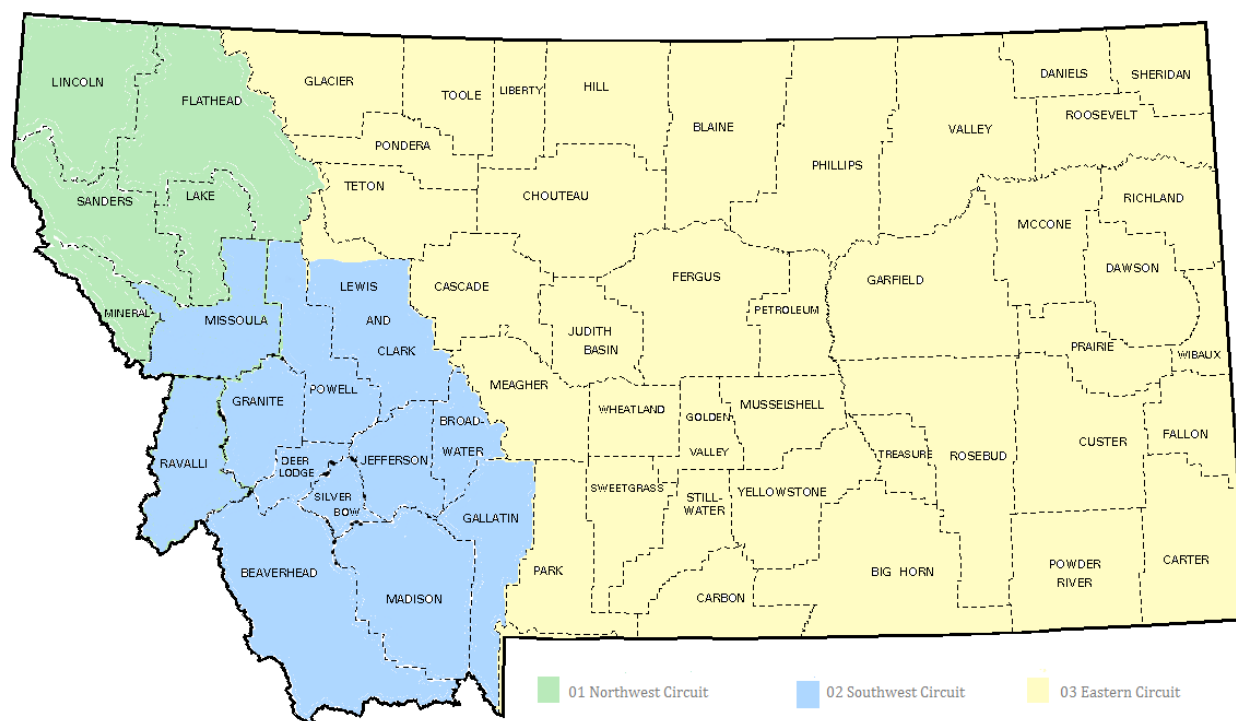


Figure 2: Meat and Poultry Inspection Bureau map of supervisory circuits

Because of its large geographical size, meat inspection staff members travel continually throughout the state to carry out their functions. The Bureau provides services to establishments, meeting the necessary requirements, in any location that personnel can reasonably reach in an 8-hour shift. Districts are determined by establishment and inspector locations' rather than by city or county. Scheduling new inspection services can become difficult depending on the inspector's current inspection schedule.

Along with the training officer the three district supervisors may also provide training to the field inspectors. Each new inspector receives approximately 280 hours of on-the-job and classroom training. This training is extensive covering all aspects of livestock slaughter, including strict humane handling requirements and identifying disease to identify hazards and critical control points in production of each product to bear the mark of state inspection. Staff must also learn general computers skills along with their role functions in the federal PHIS system.

Staff also receives various training thru the USDA AgLearn system. These online courses vary from year to year and must be completed and passed to remain with the Level II access required to gain access to the PHIS which generates the daily inspection task schedule and records the data.

See **Appendix 1** for staffing details

## Inspection Services

The inspection unit carries out day to day inspection of livestock and poultry products at officially inspected establishments. Those same inspectors also inspect all custom exempt operations and meat storage units throughout the year. As of the end of FY18 this included 39 officially inspected establishments, 120 custom exempt operations, 129 meat storage units and 20 federally inspected facilities.

An inspector must be onsite during slaughter operations. Animal carcasses and organs exhibiting questionable conditions or disease symptoms are retained for final disposition by a veterinarian under contract with the agency for their services. All slaughter operations are done under the sanitation guidelines required by USDA and establishments must adhere to strict humane handling regulations.

Inspectors also oversee the processing of meat and poultry products. Staff is trained in food safety Hazard Analysis Critical Control Points (HACCP) and record keeping. All products produced under inspection must follow a HACCP plan and staff must document hazard analysis steps, critical control points and all record keeping in the PHIS. Documenting daily duties can be extensive and time consuming. These records are available to view by supervisors and FSIS at any time.

Inspectors also check for correct labeling of products, including review of ingredients and net weights; look for any safety hazards or sanitation concerns in the production area; and conduct meetings with plant management regarding various subjects and regulations.

See **Appendix 2** for FY18 inspected slaughter headcounts.

See **Appendix 3** for FY18 inspected products poundage report.

## Custom Exempt Slaughter & Processing Operations

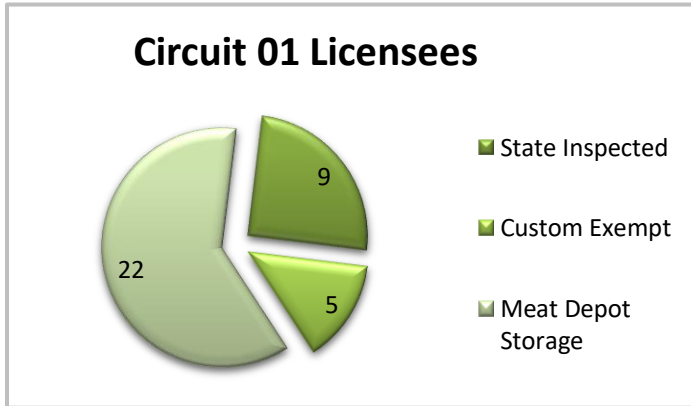
Montana Meat and Poultry Inspection staff also provides inspection services to custom exempt facilities. These facilities may only slaughter and process product for use by the owner, members of his household, and non-paying guests. Products from custom operations may not be resold and must be marked “not for sale”. Like officially inspected establishments custom exempt facilities meet and follow all sanitation guidelines. Although not subject to animal by animal inspection, custom exempt facility inspections are conducted no less than twice per year.

See **Appendix 4** for slaughter headcounts at licensed custom exempt operations in FY18. The charted month only reflects that month in which totals were collected during onsite review.



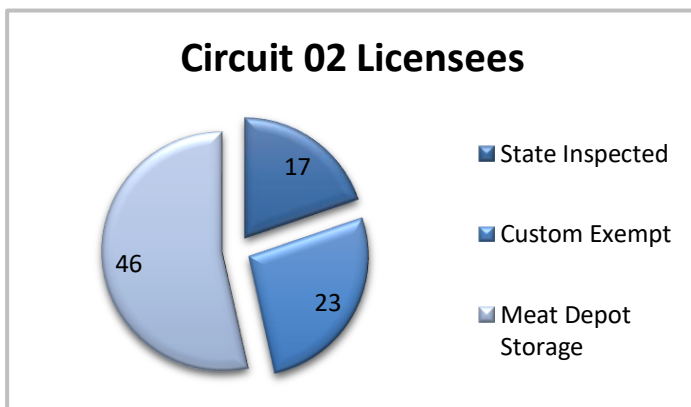
## Licenses

The following charts reflect how many licensees and types in each of the supervisory circuits in the state.



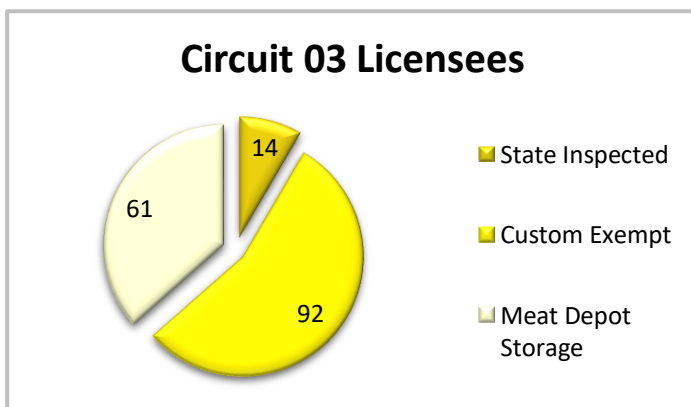
Circuit 01 – Northwest & Western Montana

State Inspected Plants: 9  
Custom Exempt Facilities: 5  
Meat Depot Storage Units: 22



Circuit 02 – Southwest & Central Montana

State Inspected Plants: 17  
Custom Exempt Facilities: 23  
Meat Depot Storage Units: 46



Circuit 03 – Northcentral & Eastern Montana

State Inspected Plants: 14  
Custom Exempt Facilities: 92  
Meat Depot Storage Units: 61

## **Microbiological Testing**

Montana's inspection program conducts product sampling for detecting pathogens in meat and poultry products. Inspection staff must follow strict guidelines for sampling frequencies for each product produced.

Montana worked with two laboratories in FY18 to test for a variety of pathogens such as *Salmonella*, *E.coli* O157:H7, all non-O157 shiga toxin producing *E.coli* (STECs), and *Listeria Monocytogenes*. The Bureau also works with Montana State University Animal Science laboratory for water activity readings. Inspection staff conduct residue sampling for both the National Residue Program and local kidney swab testing (KIS) for residue testing of show animals or any animal that may be suspected of recent injection. There are also testing requirements for fat content and moisture protein levels in certain products.

In any twelve-month period meat and poultry inspectors will collect approximately 215 raw beef samples and 150 ready-to-eat product samples for testing. The office staff keeps records of when and where the samples were taken and monitors the results should any further actions or further testing be required. Montana's sampling program is a critical component for assuring that products produced under inspection are safe for consumers.

## **Compliance**

Montana Meat and Poultry Inspection has two fulltime compliance investigators whose responsibility is to check that retail establishments are meeting the new requirement of keeping raw ground beef grinding logs and conduct meat and poultry related investigations. They have attended the FSIS compliance training course. They travel statewide to assure local meat supply is unadulterated and labeled properly. They work in unison with the USDA compliance officer based out of the Port of Sweet Grass. During fiscal year 2018 compliance investigators conducted 176 reviews of retail, custom and inspected establishments. In addition, they were involved in five investigations. As a result, 3 notices of warning were issued and approximately 183 pounds of product was detained.

## **Food Safety Assessments**

In accordance with requirements of meeting the "equal to" status of USDA FSIS Montana must have an Enforcement Investigations and Analysis Officer (EIAO). An EIAO must have completed the USDA FSIS intensive four-week classroom training session. This position is critical in assuring that any business can and will meet the requirements to operate under a Grant of Inspection.

The EIAO must conduct comprehensive Food Safety Assessments (FSAs) at all establishments prior to, and during operations under a Grant of Inspection. During an assessment, the EIAO must consider all food safety aspects that relate to the plant and its products, the nature and source of all materials received, the establishment's processes, and the environment of the plant. A primary focus is on the design and validity of the hazard analysis, HACCP plan, Sanitation Standard Operating Procedure (SSOP), pre-requisite programs, testing programs, written procedures and any other procedure that may be part of a food safety system.

Assessments are entered into the PHIS system as a permanent record for each establishment. Additional FSAs may also be required after certain situations like a product testing positive for *E.coli*, a repeated failure in sanitation requirements, humane handling violation, etc.

## **Office Administration**

In addition to inspection and compliance duties the Meat and Poultry Inspection Bureau assists local producers with labeling issues. Proper labeling contains important consumer information such as product identification, net weights, ingredients, allergens, and the state mark of inspection and must be approved by the bureau's labeling specialist. The label specialist will visit state inspected establishments annually and audit labels to assure products are being marketed to consumers with correct information.

Program staff are required to record inspection activities on the federal PHIS system. Staff must obtain and maintain clearance to this federal system which is utilized throughout the U.S. The office compliance tech is responsible for ordering and maintaining the FSIS issued laptops as well as assuring each staff member obtains USDA clearance. This position also creates and maintains assignments of establishments and appropriate tasks in the system; creates and must maintain the state's districting and contact information in PHIS; enter each establishment's data upon the issuance of their Grant of Inspection; and keep current for any updates or changes at an establishment.

Office staff issues licenses and renewals annually using the LIVAPPS data system. All slaughter records and meat and poultry products poundage are also entered into this system and compiled for quarterly statistical reporting.

USDA FSIS requires a fee be charged for any overtime, holiday or weekend inspection services as well as inspection provided for a species non-amenable to the Federal Meat Inspection Act (i.e. Bison). Office staff invoices establishments directly for these charges. Fees are tracked and reported as required.

## Appendix 1 – Staffing

### Staffing:

Bureau Chief – *Gary Hamel*

Program oversight. Employee supervision of 22.5 FTE. State and federal funding budgeting.

Enforcement, Investigations and Analysis Officer (EIAO) and Training Officer – *Mike Finnegan (Retired March 30, 2018)*

Food Safety Assessments (FSAs). Determines if establishment's process and HACCP plans will meet minimums for inspection services.

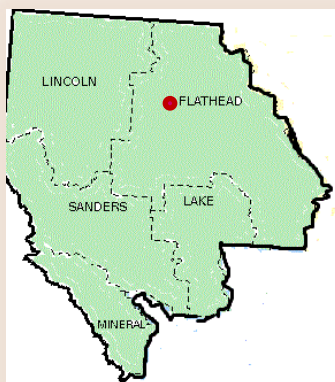
Conducts training of inspection staff for slaughter and processing. Along with Prof. Boles he teaches the state HACCP class held at MSU.

Only official meat grader in Montana.

Compliance Investigators – *Ray Figgins* and *James Peterson*

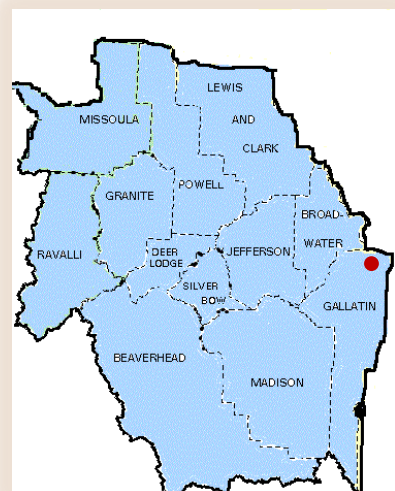
The compliance investigators respond to various complaints, check retail grinding logs and check meat and poultry products for packaging and/or labeling issues. Together, they travel across the state as necessary. They work with the USDA compliance staff in Montana.

### District Supervisors



Northwest – *Olen Hamilton, Kalispell (Resigned February 2018)*

Southwest – *Nick Wormgoor, Bozeman*



## Appendix 1 – continued



Eastern – *Marcia Lipke, Hilger*

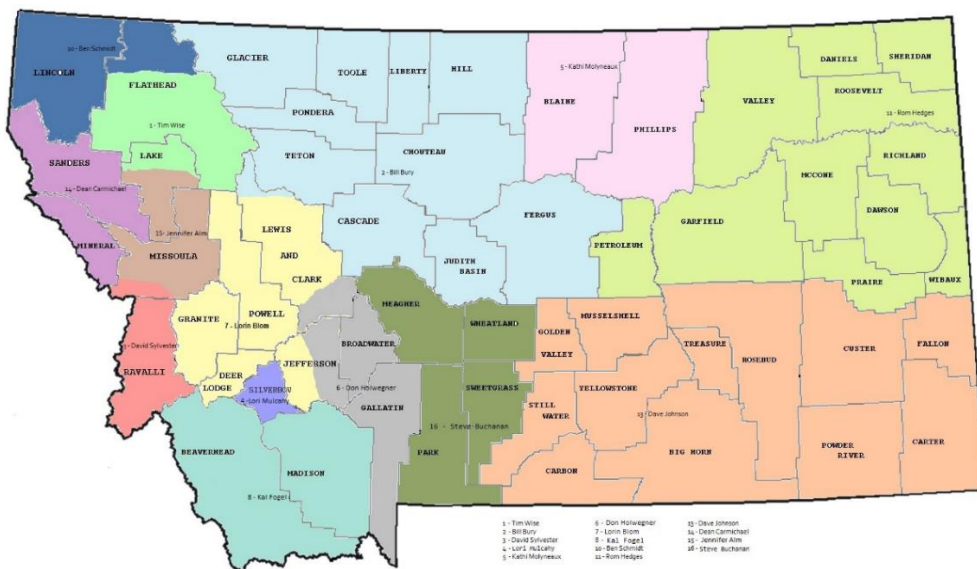
The 3 circuit supervisors are responsible for local meat inspection staff in their district to assure establishments are being provided inspection services as granted. They are responsible to assure that field inspectors are completing their job duties as assigned, approve time and schedules, and complete job performance appraisals as necessary. They provide both slaughter and processing onsite training for field inspectors. They monitor their district staffs' tasks and establishment information in PHIS.

They are responsible for working with and completing necessary documents for new plants. They use their knowledge of hazard analysis and HACCP plans to assure both inspection staff and plant personnel are following regulations. They conduct onsite plant reviews throughout the year.

Supervisors log many miles while assisting plants and staff; providing inspection coverage during staff vacations, sick leave, or busy slaughter months.

## State Meat & Poultry Inspectors

The image below reflects the bureau's fourteen inspection regions



## Appendix 1 – continued

<i>Region 1:</i>	<i>Tim Wise, Kalispell</i>
<i>Region 2:</i>	<i>Bill Bury, Great Falls (Retired July 2018)</i>
<i>Region 3:</i>	<i>David Sylvester, Hamilton</i>
<i>Region 4:</i>	<i>Lori Mulcahy, Butte</i>
<i>Region 5:</i>	<i>Kathi Molyneaux, Chinook</i>
<i>Region 6:</i>	<i>Don Holwegner, Manhattan</i>
<i>Region 7:</i>	<i>Lorin Blom, Anaconda</i>
<i>Region 8:</i>	<i>Kal Fogel, Dillon</i>
<i>Region 10:</i>	<i>Ben Schmidt, Columbia Falls</i>
<i>Region 11:</i>	<i>Rom Hedges, Antelope</i>
<i>Region 13:</i>	<i>Dave Johnson, Billings</i>
<i>Region 14:</i>	<i>Dean Carmichael, Plains</i>
<i>Region 15:</i>	<i>Jennifer Meinzen-Alm</i>
<i>Region 16:</i>	<i>Steve Buchanan, Big Timber</i>

Field meat inspection staff is responsible for day to day inspection in state inspected establishments. They provide onsite inspection to oversee operations of slaughter and processing of meat and poultry products.

They must know their plants hazard analysis steps, HACCP plans and check records to assure that steps and processes are followed. They must provide pre-op inspection to assure sanitation procedures are met at the start of each process and/or day. They must assure the mark of inspection is used properly in each facility.

They are required to keep up on all FSIS Notices and Directives. They must determine which regulation is applicable to an establishment. They hold weekly meetings with plant management to discuss issues and regulations. They maintain plant files onsite. They are responsible for recording inspection tasks in the PHIS system. Each provides Helena with a written weekly report.

They assist establishment staff with ingredient statements, net weights and the label process. They are responsible for completing label approval applications and guiding the plant through the process until a product label is approved for use with the mark of inspection.

Field inspectors are also responsible to review custom exempt operations in their area. They must inspect each licensed operation no less than twice per year. They must use their knowledge of sanitation regulations to complete the recorded review. The state's meat storage facilities are also reviewed no less than once per year by staff.

### Label Specialist / Relief Inspection – *Dani Jones, Helena*

The state label specialist is responsible for approving labels for any meat and poultry products produced under inspection. She must monitor all aspects of product labeling including ingredient statements, net weights and allergens. She is responsible for auditing labels at each inspected facility to assure labels bearing the mark of inspection are printed and used accurately.

She also is a relief inspector and travels to plants as necessary

## Appendix 1 – continued

### Compliance Tech – *Bonnie Marceau, Helena*

State sampling program oversight; directs all sampling in accordance with FSIS projects and frequencies. Records and reports sample results.

PHIS: Trained and fulfills Grant Curator, Role Management Analyst, and User Administrator roles in this role based inspection task recording system.

Serves as the FSIS State Coordinator to assure inspections staff can obtain the level of clearance necessary for use of government issued computers, LincPass ID cards, AgLearn system, and PHIS system. She orders and tracks all FSIS issued equipment and monitors FSIS service desks tickets.

Processes all licenses and renewals for meat and poultry operations in Montana, maintains plant's official files; compiles all FSIS required statistical information for quarterly/annual reports.

## APPENDIX 2 - FY18 State Inspected Slaughter

### State Inspected – Livestock headcounts

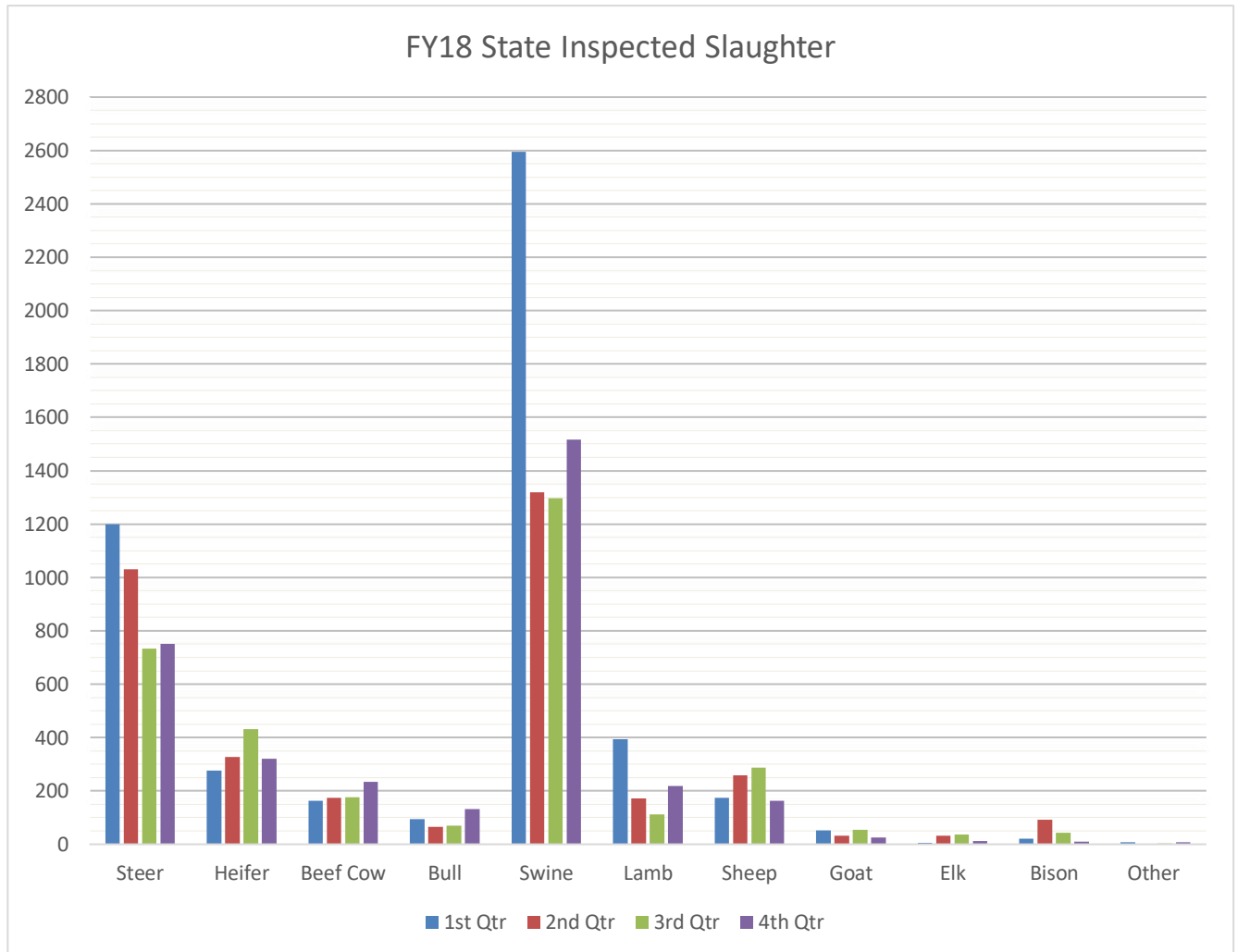


Figure 3: Livestock slaughtered under state inspection by quarter during FY18



## Appendix 2 – continued

### State Inspected – Poultry headcounts

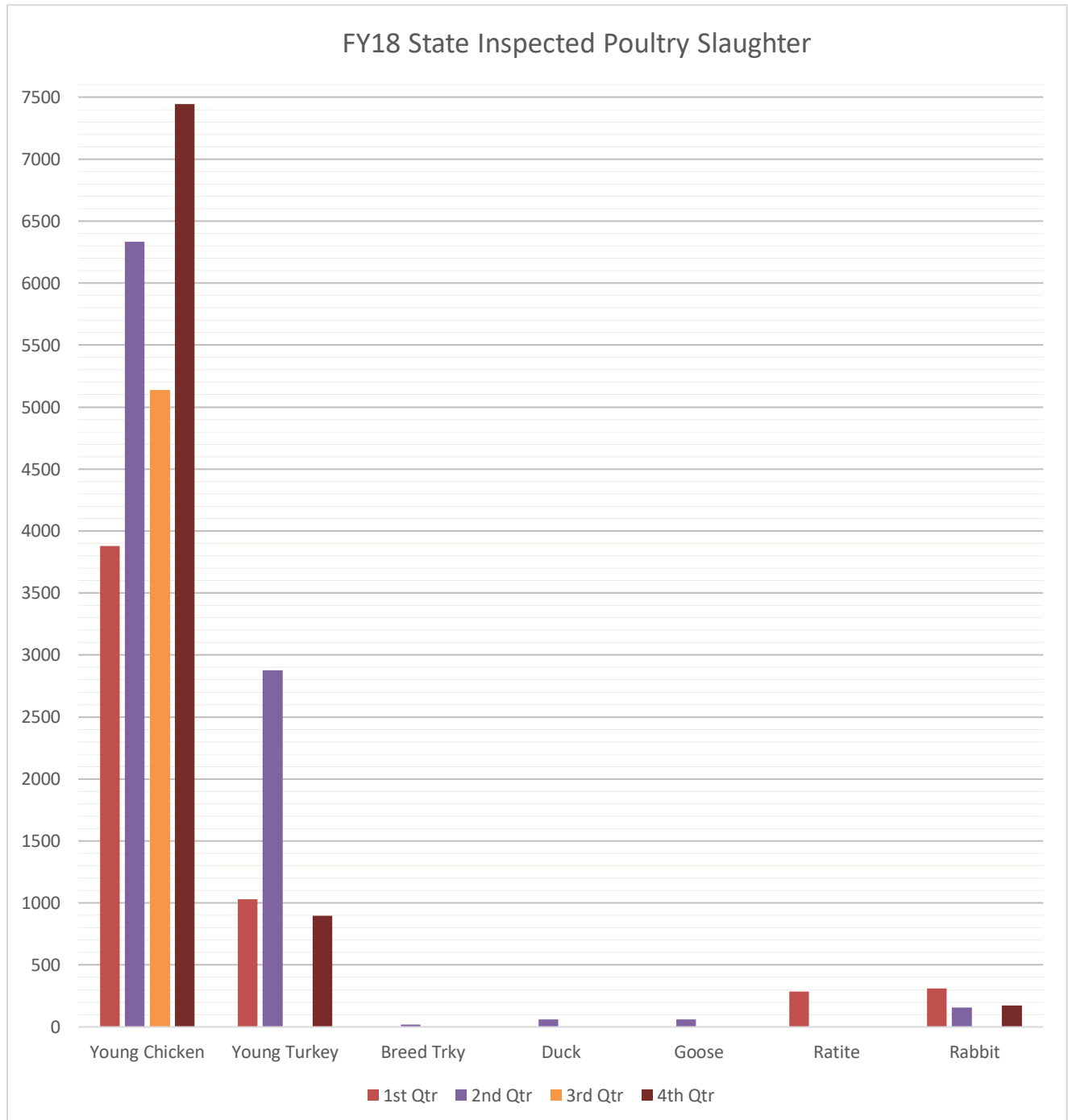


Figure 4: Poultry slaughtered under state inspection by quarter during FY18

## Appendix 3 – FY18 Inspected Product Poundage Produced

Products produced under inspection services are tracked by the HACCP categories outlined in CFR 417.2. They include:

- *Raw Ground* – raw product that is put through a grinding process; like ground beef and ground pork
- *Raw Not Ground* – product that is not ground and intact; like carcass halves & quarters, cuts (bone-in or boned), primals & sub-primals (steaks, chops)
- *Not Heat Treated Shelf Stable* – product is acidified/fermented processed without heat/cooking
- *Heat Treated Shelf Stable* – product is processed with heat and/or drying until shelf stable, like jerky and snack sticks
- *Fully Cooked Not Shelf Stable* – products that are brought up to required cooking temperatures but not shelf stable, like some hams and sausages
- *Heat Treated Not Fully Cooked Not Shelf Stable* – products are processed with heat but not fully cooked and therefore not shelf stable, like bacon, sausages, or even some pasties and burritos.

### FY18 State Inspected Product Poundage by Category

MEAT	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr
03B Raw Ground	418705	345405	348955	347207
03C Raw Not Ground	672034	471974	533244	518581
03E Not Heat Treated Shelf Stable	138	650	1708	103
03F Heat Treated Shelf Stable	5408	5216	9221	11850
03G Not Fully Cooked Not Shelf Stable	138942	124660	124814	140874
03H Heat Treated Not Fully Cooked NSS	59856	50714	42317	41696
POULTRY	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr
03B Raw Ground	0	0	0	0
03C Raw Not Ground	34884	87199	29337	46283
03E Not Heat Treated Shelf Stable	0	0	0	0
03F Heat Treated Shelf Stable	0	0	0	0
03G Not Fully Cooked Not Shelf Stable	16435	21730	15356	12518
03H Heat Treated Not Fully Cooked NSS	0	1399	140	360

Table 1: State inspected meat and poultry products produced by HACCP category each quarter in FY18

## Appendix 3 – continued

### FY18 Inspected Product Poundage continued

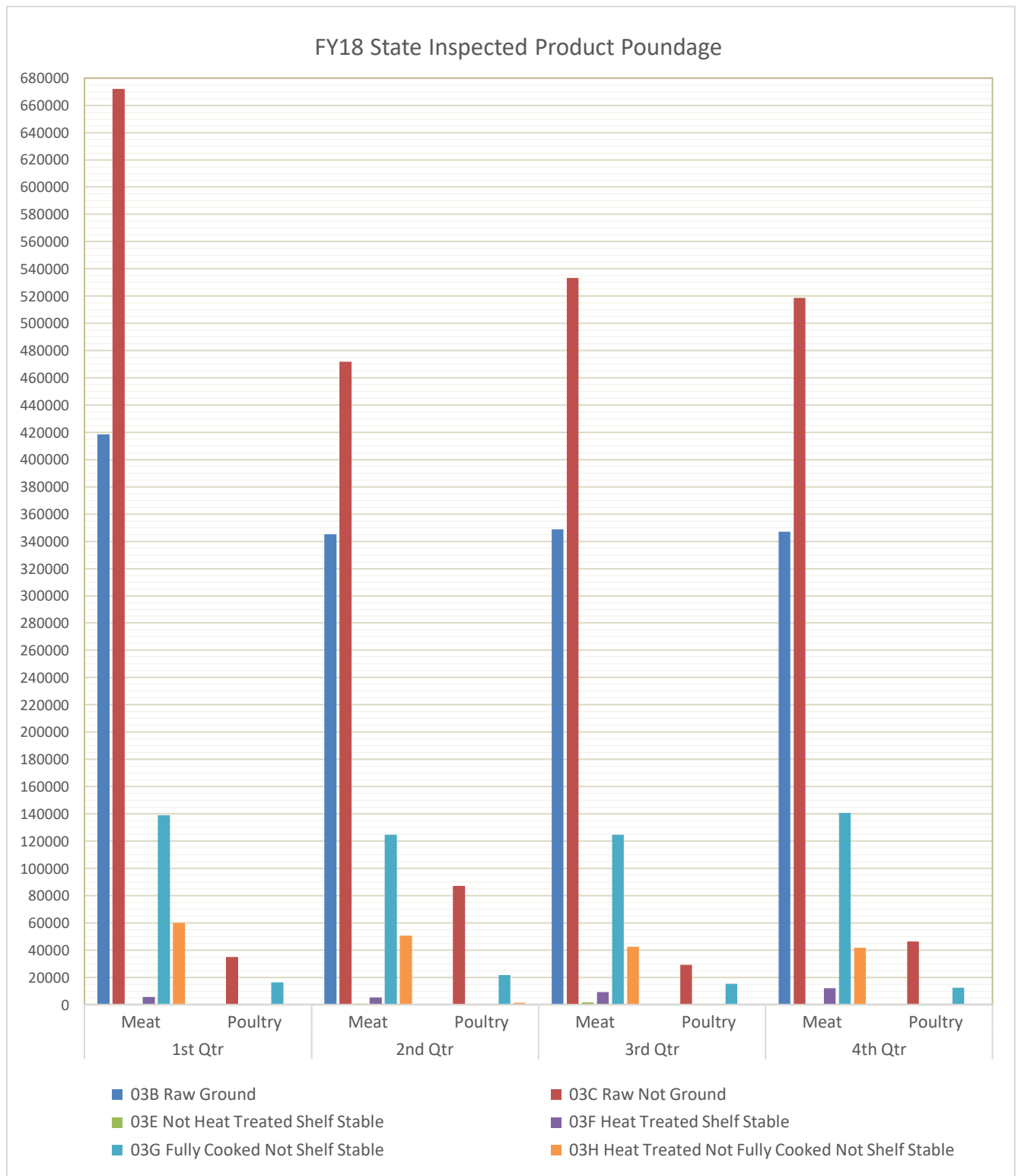


Figure 5: Quarterly poundage totals of meat and poultry products produced under state inspection by HACCP category during FY18

## APPENDIX 4 – FY18 Custom Exempt Slaughter

Custom Exempt facilities are only reviewed twice per year therefore monthly counts only reflect the month the plant headcounts were recorded by agency inspectors.

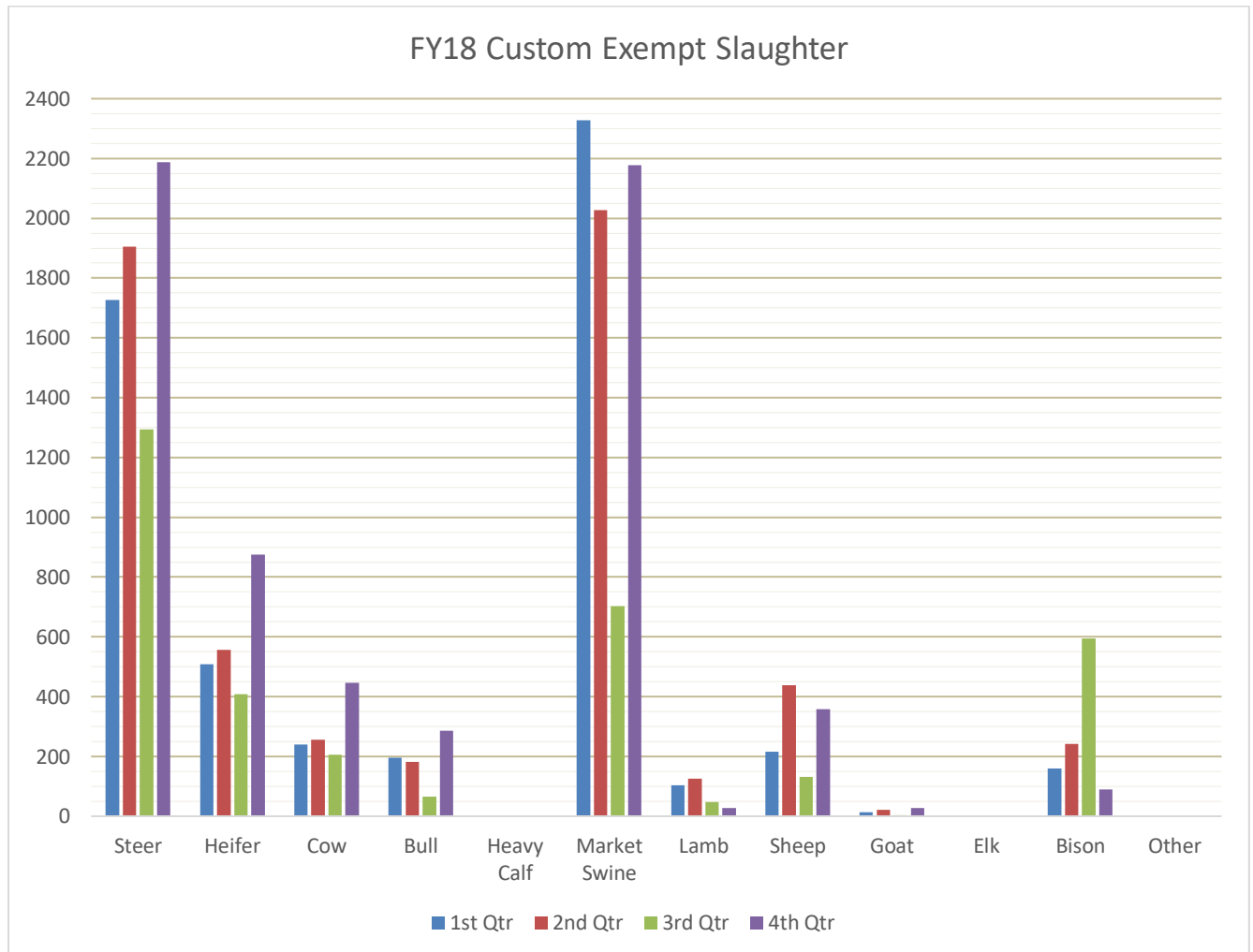


Figure 6: Livestock slaughtered custom exempt by quarter during FY18

#### Appendix 4 – continued

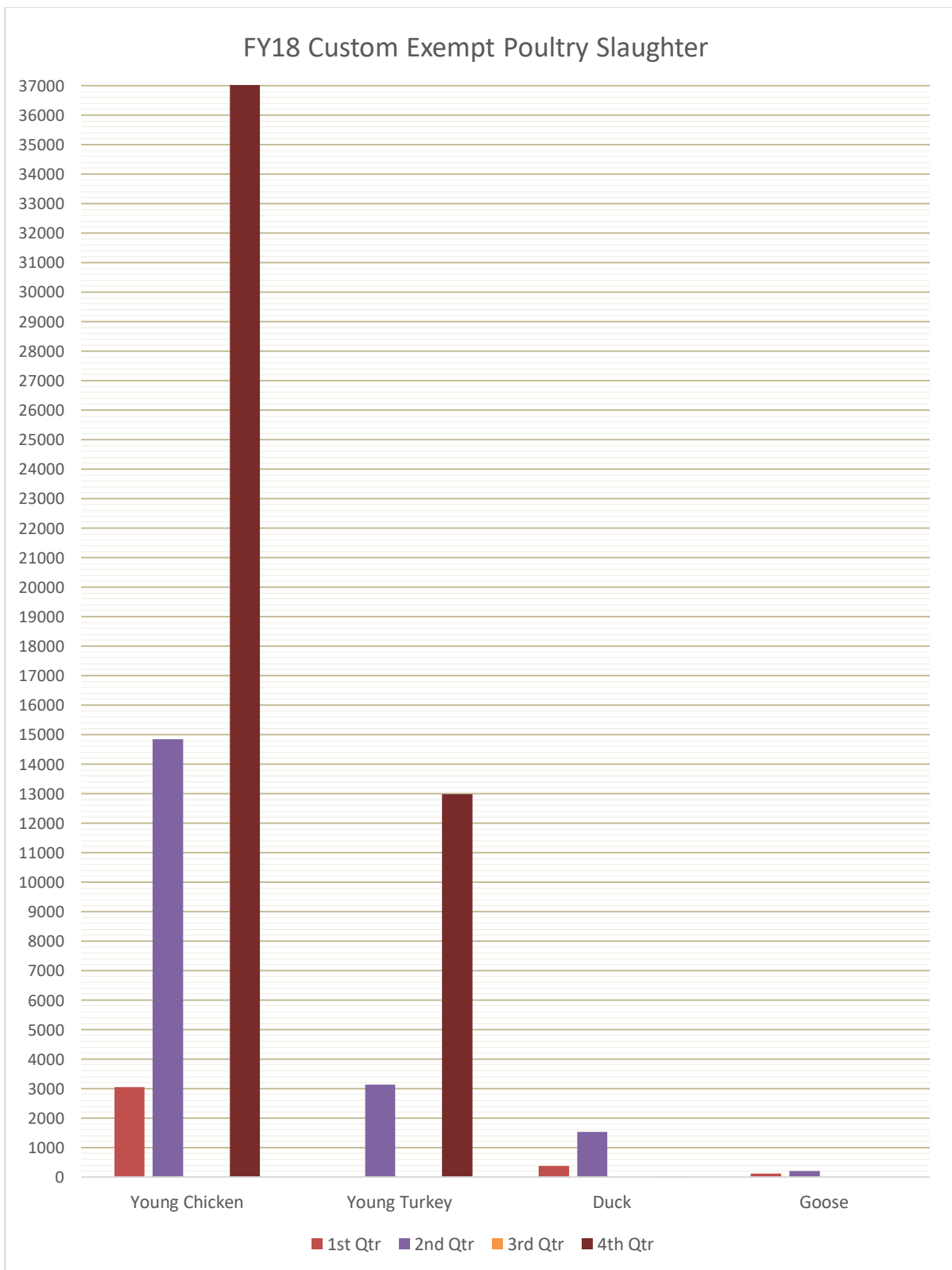


Figure 7: Poultry slaughtered custom exempt by quarter during FY18